

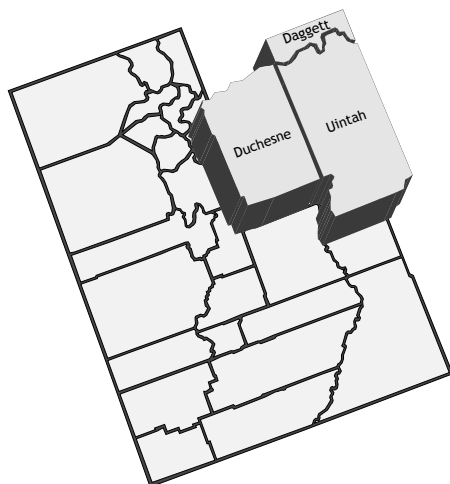
# Workforce News



A quarterly publication of the Department of Workforce Services: issued June 2010

**Uintah Basin: Daggett, Duchesne, Uintah**

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## Agriculture in the Uintah Basin

It is estimated that 90 percent of the United States' entire labor force was devoted to farming in 1790. By 1880, farmers made up only 49 percent of the labor force. Today, a mere 1.5 percent of all workers in the U.S. are employed in agriculture and related industries. The dramatic decrease in the percentage of agricultural employment is the result of a myriad of technological innovations, ranging from more efficient tools and machinery to improved fertilizers to genetically engineered seeds. These innovations have made agricultural workers so productive that the output from one worker can feed approximately 100 people.

Even though agricultural workers make up a small portion of the labor force, they produce the most important output of all. And while agriculture may play only a small role in most counties' economies, farms can be found in every one of Utah's 29 counties.

Reconciling the several sources of statistics concerning employment, wages, hours, and other measures of labor activity for agricultural workers, is a difficult task due to the differences in methodology. Nevertheless, the statistics that are available can provide a rough sketch of production, income, and wages on the farms in the Uintah Basin.

### A Few Agricultural Statistics for the U.S.

In order to develop a better understanding of the nature of agriculture, it is useful to examine a few statistics for the United States. The first fact that jumps out, when looking at the U.S. data, is that the vast majority of farms are small family farms that produce a small amount of output. Just under 60 percent of fam-

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### Inside:

- **Daggett:** Employment in 2009 was essentially the same as in 2008.
- **Duchesne:** The number of jobs declines by nearly 18 percent with most losses in mining and construction.
- **Uintah:** More than 20 percent of the jobs have disappeared since the declines in oil and gas prices.



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## Agriculture in the UB (continued)

ily farms produce less than \$10,000 worth of agricultural products in a year, and these farms account for only 1 percent of the share of total output (see Table 1). The largest 9.5 percent of farms produce 80 percent of all agricultural goods.

If 60 percent of the farms in the U.S. are receiving less than \$10,000 for their farm products, they will, of course, need to earn off-the-farm income just to survive. In 2007, the average farm household in the United States earned only 11.7 percent of its total income from farming activities, with the other 88.3 percent coming from off-farm activities. In fact, those farms that sold less than \$10,000 worth of farm products incurred a loss of \$7,687, on average, from their farming activities.

It would seem that for the majority of small farmers in the U.S., farming is a secondary occupation that is pursued as a way to supplement income earned off of the farm. And this story seems to apply to the Uintah Basin as well. Of the 1,908 farms in the Basin, over 62 percent sold less than \$10,000 worth of agricultural products in 2007 (see Figure 1).

### What is Produced in the Basin?

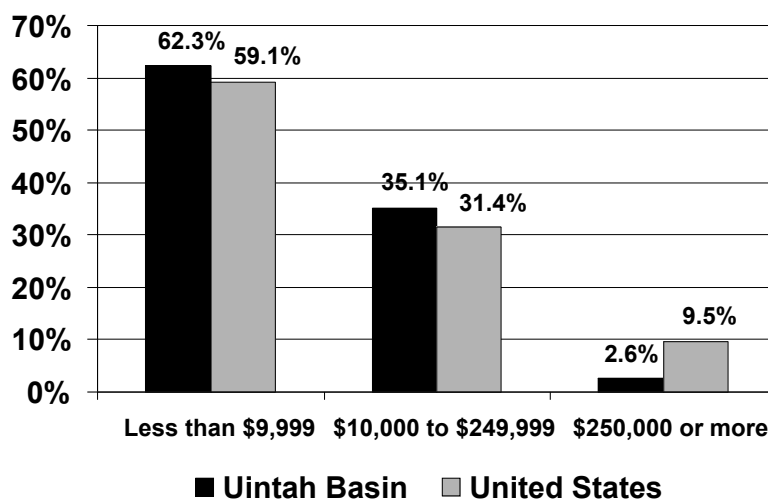
The Uintah Basin is among the top producers of beef cows and corn for

**Table 1. Characteristics of U.S. Farms by Size, 2007**

Size of Farm	Percentage of Family Farms	Share of Value of Production	Household Farm Income, Average	Household Off-farm Income, Average	Household Total Income, Average	Household Total Income, Median
Less than \$10,000	59.1%	1%	-\$7,687	\$81,139	\$73,452	\$50,544
\$10,000 to \$249,999	31.4%	19%	\$2,870	\$80,253	\$83,123	\$53,935
\$250,000 or more	9.5%	80%	\$146,657	\$45,131	\$191,789	\$114,704

Source: USDA, National Agricultural Statistics Service

**Figure 1. Percentage of Farms by Values of Sales, 2007**



Source: USDA, National Agricultural Statistics Service

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# Agriculture in the UB (continued)

**Table 2. Primary Agricultural Products for the Uintah Basin, 2008**

	Crops				Livestock			
	Type	Output	Percent of State Output	State Rank	Type	Inventory	Percent of State Output	State Rank
Daggett County	Hay (All types)	14,000 tons	0.5%	22	Beef Cows	2,500	0.7%	27
Duchesne County	Corn (Grain)	447,000 bushels	12.0%	3	Beef Cows	26,500	8.0%	2
Uintah County	Corn (Grain)	210,600 bushels	6.0%	5	Beef Cows	20,000	6.0%	5

Source: Utah Department of Agriculture and Food, 2009 Annual Report

grain in the State of Utah. Duchesne and Uintah counties rank in the top five in both of these categories (see Table 2). Daggett County also focuses primarily on raising beef cows, but, due to the small size of the county, it makes up a much smaller share of the total state output. The main crop in Daggett County is hay (alfalfa and other types).

Beef cows are not the only type of livestock raised in the Basin. Farmers in both Duchesne and Uintah counties also raise substantial numbers of milk cows and sheep. And there are other grain crops of importance besides corn. Duchesne County is the state's fourth-largest producer of oats (all types) and fifth-largest producer of hay other than alfalfa, while Uintah County is the seventh-largest producer of alfalfa.

**Table 3. Farm Income, Hired Workers, and Average Pay, 2007**

	Daggett County	Duchesne County	Uintah County
Number of Farms	48	879	981
Farming as Operator's Primary Occupation	18	332	299
Average Net Cash Farm Income	\$11,503	\$5,169	\$3,777
Number of Farms with Hired Workers	6	187	174
Number of Hired Workers	(D)	526	508
Payroll of Hired Worker	\$81,000	\$1,904,000	\$2,706,000
Average Pay per Hired Worker	NA	\$3,620	\$5,327

(D) – Data is not disclosed in order to preserve confidentiality

Source: USDA, National Agricultural Statistics Service, 2007 Census of Agriculture

The value of livestock and livestock products was larger than the value of crops for all three of the counties in the Basin in 2008. Daggett County sold \$1.5 million in livestock and \$1.4 million in crops. Farmers in Duchesne County took in \$26.5 million from livestock sales and \$19.3 million from crop sales, for a total of \$45.8 million. Uintah County sold \$25.6 million worth of livestock and livestock products along with \$17.4 million in crops, for a total of \$43 million.

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## Agriculture in the UB (continued)

### Farm Income, Labor, and Wages

Determining precise income, employment, and wage statistics for agricultural workers is difficult due to the nature of the industry. According to the Bureau of Labor Statistics (BLS), nearly 40 percent of agricultural workers are self-employed. Many of the families that own small farms are counted as self-employed. At the same time, these self-employed individuals are likely to earn the majority of their income outside of the farm. Such issues make comparing data from different sources nearly impossible.

A summary of income, employment, and wages for agriculture in the Uintah Basin is provided in Table 3. The average farm income per farm may seem surprising low, but keep in mind that high levels of farm income are typically associated with farms that sell \$250,000 worth of agricultural goods or more. For most farms, farm income must be viewed as supplementary.

Only a small number of farms hired workers in the Uintah Basin. The average amount earned by each hired worker is relatively small. Even though wages in agriculture tend to be low (usually around \$10 to \$11 per hour), the explanation for the low total wage lies in the fact that many of these

workers are only employed for short periods of time. In Duchesne County, 382 of the workers were employed for less than 150 days. And in Uintah County, 328 workers were employed for less than 150 days.

### What's in Store for Agriculture in the Future?

The BLS claims the number of jobs in agriculture should remain essentially unchanged over the next decade. Consolidation of smaller farms is expected to take place in the future, along with the continued introduction of new technologies that will improve labor productivity. At the same time, small farmers have become more successful at selling crops locally at farmers markets, which may be a reflection of the increased demand for the organic produce that is typically grown on smaller farms. While relatively scarce employment opportunities and low wages will not provide much of an incentive to enter the agriculture industry, small farms should continue to persist as their operators view farming as a way to supplement their off-farm income. **WFFN**

## What's Up?

"Construction on a new visitors center at **Dinosaur National Monument** will begin in March and could open as early as the summer of 2011. The \$13.1-million project will focus on protecting and providing access to the quarry wall, which features 1,500 dinosaur fossils. In 2002, the Quarry Visitor Center was declared a National Historic Landmark. However, the facility closed in July 2006 due to problems that included expansive clays that caused the building's structure to deteriorate. The project includes demolition and replacement of the condemned portions of the old Quarry Visitor Center. Construction could last between 12 and 18 months."

—Deseret News

"A federal judge has decided the **Southern Utah Wilderness Alliance** (SUWA) will be allowed to defend its own interests in a lawsuit filed by three oil companies and three Utah counties over a hotly disputed 2008 oil and gas lease sale in Salt Lake City. U.S. District Judge Dee Benson ruled that SUWA may intervene as a defendant in lawsuits, now consolidated, which the companies and Uintah, Carbon and Duchesne counties filed in May against Interior Secretary Ken Salazar and the Utah office of the U.S. Bureau of Land Management. The suit seeks to force Salazar to issue leases on 77 bid parcels. The 2009 suit claims Salazar broke the law when he set aside the 77 leases after a federal judge issued an ongoing restraining order, which bars the Interior Department from finalizing the sales."

—Salt Lake Tribune

# County News

## Daggett County:

The total employment in Daggett County has historically tended to fluctuate from year to year even after taking seasonality into consideration. These fluctuations appear to be primarily the result of irregular waves of construction employment. Employment was down 17 percent in the summer of 2008, compared to the previous summer. Since that time, total employment has been relatively flat. The 17percent difference in employment is almost perfectly explained by the fact that there are 80 to 90 fewer construction jobs in 2009 as compared to 2007.

Taxable sales in the fourth quarter of 2009 were down 18 percent from the previous year. In the first two months of 2010, there were no construction permits issued.

## Duchesne County:

From the high of 8,852 jobs in November 2008, Duchesne County has shed 17.5 percent of its total employment. Of the roughly 1,500 jobs lost, approximately 450 were oil and gas jobs and 475 were construction jobs. Another 225 jobs have vanished from the transportation and warehousing industry. The employment losses in these industries have impacted other sectors of Duchesne's economy, leading to job losses across virtually every industry.

The large loss of jobs has led to a large reduction in all forms of spending. Taxable sales were down 41 percent in the fourth quarter of 2009. The value of total construction is also down for the first two months of 2010 by 64 percent as compared to last year.

The price of oil (Europe Brent spot price) has continued to rise in the first four months of 2010 and has

been hovering above \$80 per barrel for the month of April. If the price holds its ground or increases in a steady manner, it should stimulate employment in the oil and gas industry.

## Uintah County:

Total employment in the fourth quarter of 2009 was about 20 percent lower than the year before. Nearly 1,800 mining jobs were lost from the peak of 4,161 jobs in September 2008 to the end of 2009. Construction shed approximately 540 jobs during this same period. The transportation and warehousing industry has been particularly hard-hit with 2009 fourth quarter year-over loss of 371 jobs. With the exceptions of healthcare and government, all of the other industries have suffered jobs losses.

Fourth quarter taxable sales were down 35 percent in 2009, versus the previous year. The value of total construction for January and February of 2010 was 6 percent lower than last year.

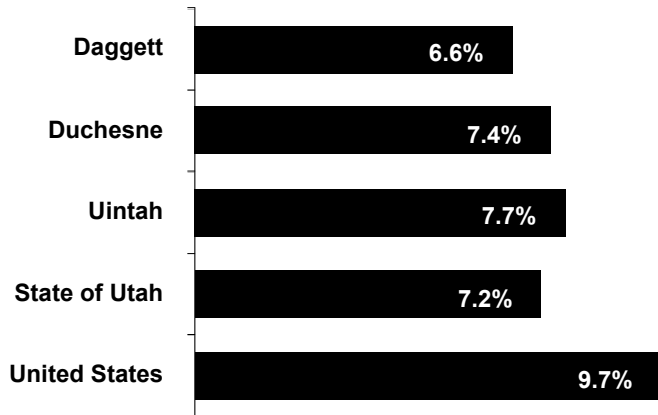
The price of natural gas has been low for most of 2010, which hasn't helped the industry in Uintah County. But toward the end of April, natural gas futures were increasing on the belief that the U.S. economy was set to rebound. If the economy is truly on the rebound, natural gas and oil prices should remain high, leading to higher employment in the industry. **WFN**

For more employment information about your county go to: <http://jobs.utah.gov/countyinfo> and select your county, then go to Labor Market Indicators in the right-hand margin.

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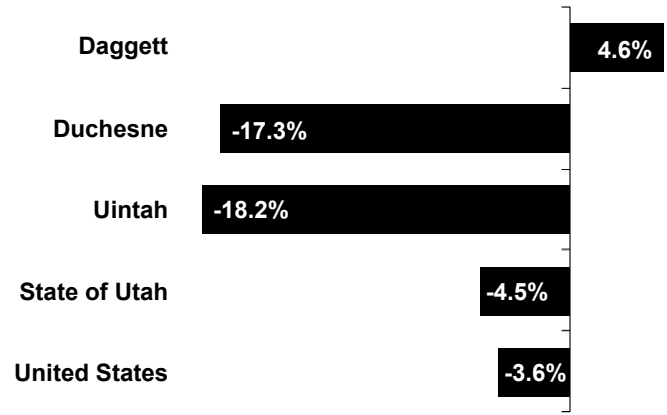
[jobs.utah.gov](http://jobs.utah.gov)

### Seasonally Adjusted Unemployment Rates March 2010



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

### Percent Change in Nonfarm Jobs December 2008 to December 2009



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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